Assessment Year 1991-92

IN THE HIGH COURT OF UTTARANCHAL AT NAINITAL

Income Tax Appeal No. 515 of 2001

The Commissioner of Income-Tax,
Dehradun and another ……. Appellants

Versus

M/s Hughes Services (Far East) Pvt. Ltd.,
As agent of Mr. De Passos F,
Dehradun …… Respondent

Mr. S.K. Posti, Advocate for the appellants.
Mr. V.K. Bist., Advocate for the respondent.

Coram: **Hon'ble P.C. Verma, A.C.J.**
Hon'ble Rajesh Tandon, J.

Date: 30.12.2003

PC:-

The matter is squarely covered by our decision dated 9th October 2003 in Income Tax Act Appeal No. 57 of 2002; The Commissioner of Income Tax, Dehradun & another V/s SEDCO Forex International Drilling Co. Ltd.

The questions raised before us are as follows:-

QUESTIONS:

1. Whether on the facts and circumstances of the case the Ld. ITAT was not justified in holding that free accommodation facility provided by the employer to its employee on board the rig in high seas cannot be construed to be perquisite?
2. Whether on the facts and circumstances of the case, the Ld. ITAT was not legally justified in holding that no perquisite arose on account of free accommodation facility provided by the employer to its employee and the assessment authority

was not justified in charging interest u/s 2019A) of the IT Act?

In our decision dated 9th October 2003 in Income Tax Act Appeal No. 57 of 2002; The Commissioner of Income Tax, Dehradun & another V/s SEDCO Forex International Drilling Co. Ltd., it has been held as under:

> "In this case, assessee had to work on the rig. It was hazardous, arduous and continuous. Under such circumstances free food and beverages is a necessity. It is not a luxury. It is not a perquisite. Its value cannot be added to the income of the assessee."

For the reasons aforesaid, we answer both the above questions in the affirmative i.e. in favour of the assessee and against the department.

Appeal disposed of. No order as to costs.

(Rajesh Tandon, J.) **(P.C. Verma, A.C.J.)**

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